

**THE IMPACT OF ELEMENTARY WORK UNIT (EWU) ON THE ORGANIZATIONAL CLIMATE****Nicoleta ISAC***Istanbul Sabahattin Zaim University, 34303, Turkey  
nicoleta\_isac2004@yahoo.com***Abstract**

*The organizational climate is part of the organizational culture. Although the concept of organizational culture initially appeared in the English literature of the 1960s as a synonym for climate, the organizational climate is in fact a reflection of the culture and evolution of the organization and it expresses its true priorities, as perceived by employees in contact daily with company practices, procedures and policies. The analysis undertaken in this article attempts to highlight the characteristics of the organizational climate of the Dacia Group Renault company, after the introduction of the new organizational mode, namely the elementary unit of work (EWU).*

**Key words:** *organizational climate, organizational culture, implementation, efficiency*

**JEL Classification:** *M10, M19, M50*

**I. INTRODUCTION**

International companies shift production lines, outsource services to become more cost-effective. In these times, change is an inevitable consequence (Juris I., et al., 2015).

In Europe Dacia (Romania) has shown tremendous growth as compare to its competitors like Hyundai-Kia (invested in Slovakia and Czech Republic), even during financial crisis in Europe the company continued to make profits and has an average yearly profit of around 70 million Euros within last ten years (Attila T., et al, 2015). Dacia has started selling its brand in Western Europe; its demand is rapidly increasing. Since sales on international markets have increased by more than 40%, currently the factory in Pitesti exports around 95% of its production to foreign markets. In 2004 Dacia contributed with less than 1% to GDP (Gross Domestic Product), in 2010 its contribution surpassed 2% and in 2013 its contribution was just short of 3% to Romanian GDP.

Organizational structure and culture are the means organizations use to achieve its goals of superior performance. In other words we can say that organizational structure and culture are the major determinants functionality and performance of any organization, regardless of what product/service it provides. Dacia has achieved this impressive growth by undergoing major transformation in its organization design (i.e. organizational structure and culture). Organizational structure is a framework of control and authority relationship that control how people coordinate their actions and use resources to achieve organizational goals (Jones, 2006).

Dacia Group Renault has made an important effort to change culture, mentality, skills at all hierarchical levels. The Renault strategy aimed at transforming the company into stages, taking into account the existing base:

- Implementation of a new way of working according to Renault norms (deontology, quality, hygiene, security, technologies)
- Development of a new organization and a new mode of operation adapted to the Renault model by managing a transformation program, mobilizing employees around new values and objectives, transferring expertise from Renault to Dacia, detecting and developing local talents.

**II. LITERATURE REVIEW**

There are a number of debates about the differences between the two concepts, culture and organizational climate: are they different elements or do they refer to the same aspects, the two terms having only different names?

If organizational culture is "a major determinant of the status of functionality and performance of each organization, regardless of its nature", the organizational climate is considered by most specialists as a key phenomenon in understanding the dynamics of social micro-groups (Nicolescu O., Verboncu I., 1999). Organizational culture and climate capture the meaning employees derive from cues in their work environment (Mark G. E., Maribeth K., 2017) and between the two concepts there is only one difference from the perspective of the perspective from which they are viewed, rather than substance. The similarities between the two concepts include:

- A social context defined collectively that is created over time, as the organization struggles with problems of external adaptation and internal integration;

- The social context appears as a result of the interaction between the individuals that make up the respective group;
- Their global, holistic nature.

Hofstede, Ohays, Sanders and Neuijen (1990), in an empirical analysis of the organization, consider that the most distinctive elements of the organizational culture reside in the organizational practices, as perceived by the members of the company. Other specialists view the culture as being influenced by the organizational climate, which in turn shapes individual perceptions and asserts that there is a pronounced interdependence between them.

The organizational climate is a result of employees' perceptions, excitement and working environment which exerts a major influence on their behavior in a given period of time (OzKan O., 2018). A positive organizational climate leads to higher levels of organizational commitment (Aysen B., 2018) and there is a link between a good organizational climate, employees work passion and commitment in an organization (P. Yukthamarani et al., 2013). Many of the employees' moral perspectives are found in the organizational climate, such as religious elements, social ideologies, traditions, etc. The organizational climate is closely linked to the way the organizational culture is manifested and it can be measured with the help of questionnaires.

They generally analyze employees' perceptions of the following:

- The degree of structuring: the opinions of the employees regarding the constraints exercised on the group, the number of rules, regulations and procedures.
- Responsibility: the possibility of the employee to decide to a large extent on how he / she will perform his / her tasks, without having to ask for the approval of the bosses for each decision and action.
- Rewards: the feeling of the employees that they are rewarded for the proper performance of the tasks.
- Risks: does the organization take calculated risks or adopt the safest method of action?
- Comradeship: friendly working atmosphere.
- Standards: emphasis on quality of activity.
- Support given: atmosphere in which managers and subordinates establish mutual help behavior.
- Identity: the feeling of belonging to an organization of an employee who is valued as a valuable member of the team.

Organizational climate has positive or negative impacts on performance, job satisfaction, and motivation of employees (Gök, S., 2009). Glisson et al. (2012) say climate refers to workers' perceptions of the organizational environment and its impact on their well-being (Glisson et al. 2012). A favorable work environment brings about the mobilization of energies for joint problem solving, loyalty, cooperation, job satisfaction, very good customer service (Deaconu A., et al, 2002). In this case we can say that organizational climate is briefly defined as the meanings people attach to interrelated bundles of experiences they have at work. (Benjamin S.M., G. Ehrhart, and William H. M., 2012).

### **III. THE NEW ORGANIZATIONAL MODE AT DACIA GROUP RENAULT**

The Renault Production System was implemented at Dacia, following a Japanese working philosophy adopted by the Nissan plants. It represents a set of methods and tools, principles and rules of action for implementation and development. It therefore describes the expected targets, the principles to be followed, the rules of action to be applied and the standards to be used to render the performance of the industrial system as a whole.

In order to adapt to this situation, the company has chosen to change the labor organizations and their operating modes. This election was materialized by organizing in Elementary Work Units (EWU), for:

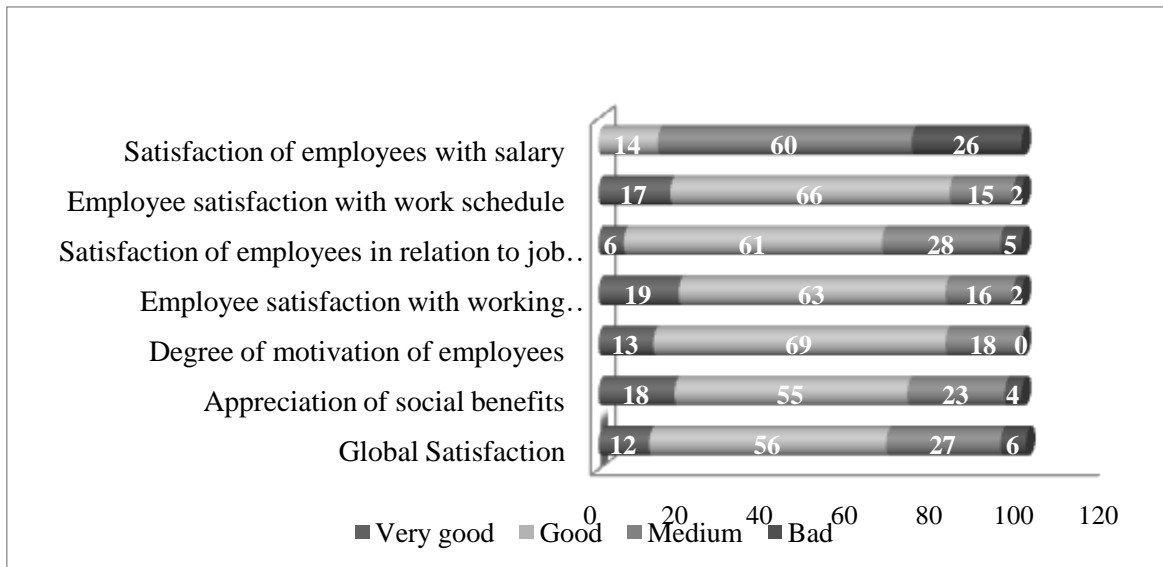
- To create a dynamic of continuous improvement within a small team, under a single hierarchical manager.
- To give a responsibility to the developing group, organizing for this purpose the personal commitment of each individual.
- To give the EWU a real operating autonomy in compliance with all the rules of the company.

So what is a EWU? The EWU is primarily associated with order, with organization; this is the first step taken by the Renault team to establish a minimum organization among the workers from Dacia, with considerable effects on efficiency and productivity. The EWU is considered the first cell of progress. In the production area, a EWU represents a homogeneous group of workers, a team of 18-24 people in the same space - working time, which carries out a common activity under the management of a single hierarchical manager (EWU chief), according to some units well-established indicators. (Quality, costs, deadlines), having a well-defined product process mission and clearly identified customers and suppliers. Based on this aspect, it is understood that each important production activity generates a EWU: for example, the front area assembly activity forms the front wing EWU and so on. Several EWUs make up a workshop whose activity is coordinated by a workshop manager.

**IV. RESEARCH METODOLOGY**

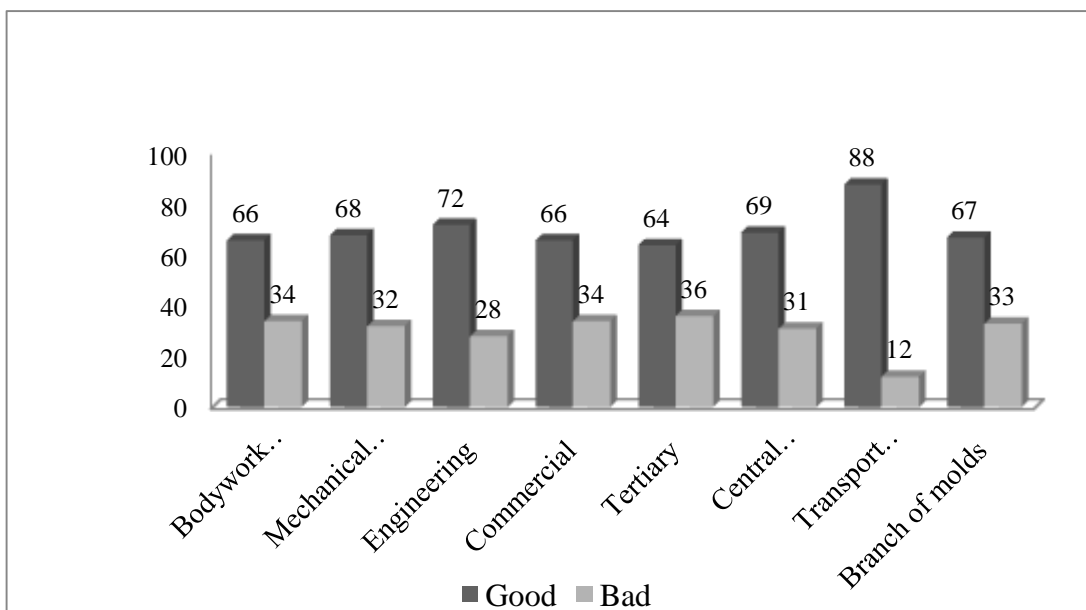
The analysis undertaken tries to highlight the characteristics of the organizational climate of the company Dacia Group Renault, exemplified in two representative sectors, generically called Production and Tertiary, depending on its dimensions: the nature of interpersonal relationships, the nature of the hierarchy, the nature of the activity, the wage side. The social survey based on the questionnaire was carried out among two hundred and fifty subjects, both from the productive sector: directly productive workers (DP) and indirectly productive (IP) as well as from the tertiary sector: staff, engineers and technicians, managers having trades, different ages and ages in the organization. The Employee Satisfaction Survey, as a mere tool or real support of the modern manager, gives us the opportunity to measure the organizational climate before it deteriorates, acts, before reacting. The social survey based on the questionnaire constituted the analytical approach of finding and comparing the employees' opinions regarding the psycho-social climate of the company.

**V. THE INTERPRETATION OF THE RESULTS**



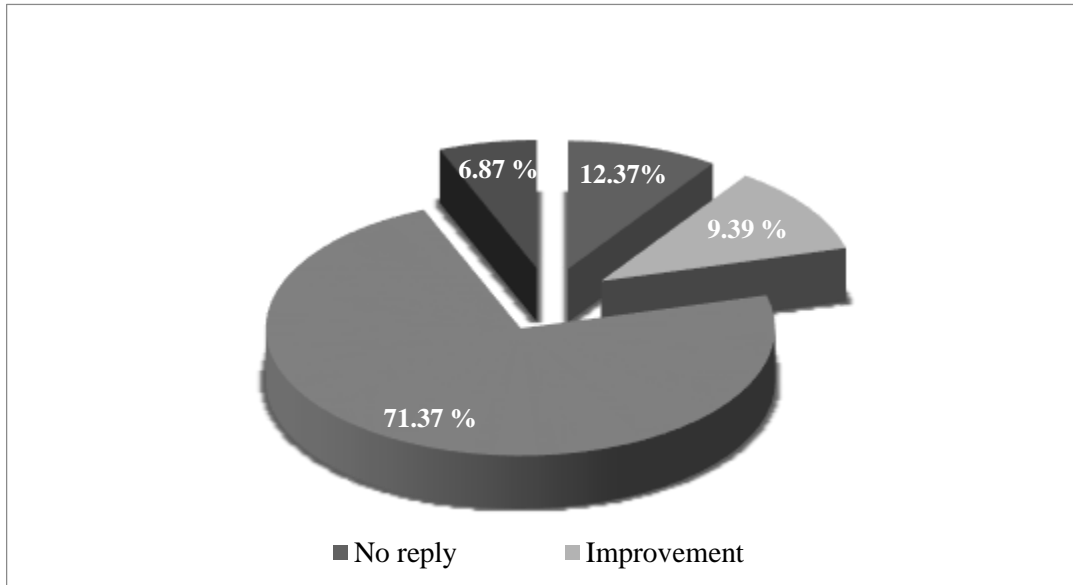
**Figure 1- Employees Satisfaction (%)**

At the organization level, the results shows fairly small fluctuations in opinions of interviewees and it can be seen that the overall satisfaction of the employees is good. The only problem remains that of the payroll where the employees replied in a percentage of 26% that it is not good in relation to the work performed.



**Figure 2 - Satisfaction on Organizational Structure (%)**

From the analyzed data it follows that the satisfaction regarding the new organizational structure is good on all sectors of work. There is a considerable improvement compared to the old organizational structure. The best satisfaction was obtained in the transport sector with a percentage of 88% compared to the initial one of only 12%. At the opposite pole 64% is represented by the tertiary sector but here is an improvement over the previous 36%.

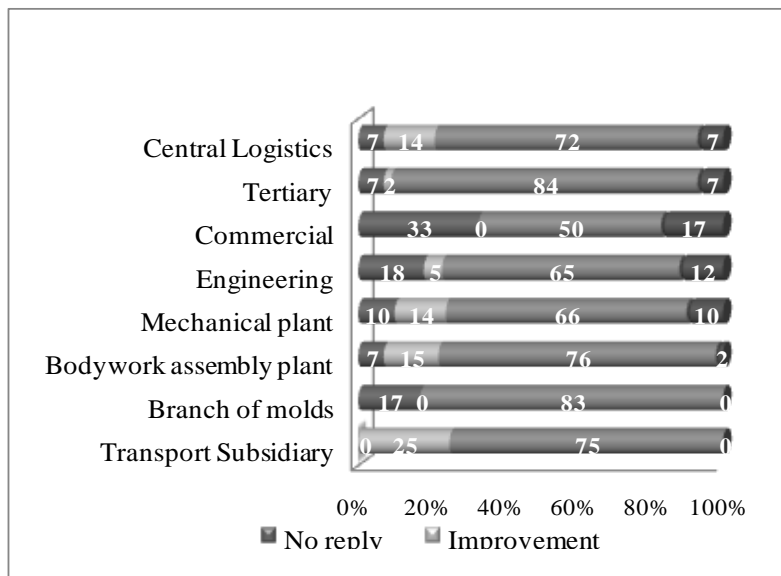


**Figure 3 - Social climate assessment over the previous month**

Figure 3 presents the analysis of the social climate on all sectors, one month after the implementation of the UEL. It can be observed from the answer analyzed that in a percentage of 72.95% the employees consider a considerable improvement compared to the previous month.

Is clearly that EWU system is an effective organization of functional activities for all people. The reduced number of operators in a EWU (max. 24) allows for more efficient communication making it easier to identify and resolve all the problems. For both operators and EWU chiefs in the team, the implementation of the EWU system has improved working conditions. The operators of this department have defined the EWU as "a group of people working together, having a common mission".

The Renault slogan ("Ensemble, nous travaillons mieux" - "Together we work better") once again demonstrates its importance. Several of the surveyed operators have stated that for them "EWU is the second family". Members of the team feel comfortable expressing their concerns and opinions are better listened. The degree of efficiency, advancement and productivity of the elementary work unit differs very little from one department to another. Only a percent of 6.87% show a degradation.



**Figure 4 - Social climate assessment against previous month / organizational structure (%)**

The analysis of the social climate on each working sector is represented in Figure 4. The satisfaction of those in the respective tertiary sector is 84 and 83%. The lowest satisfaction was observed among the respondents from the commercial sector 50%. Overall, we can see that, the organizational climate has a considerable improvement in all sectors of work.

## VI. CONCLUSIONS

The predominant culture of the company is that of the role type. According to Handy's theory, this type of culture, known as the "culture of rules" is specific to large organizations, with bureaucratic mechanisms. The main characteristic of this type of culture is the tendency towards control, standardization, the existence of many norms and operating procedures, the formalization of the operations, the strict definition of the positions. The most important source of power is the hierarchical position, the organization is carried out on several hierarchical levels, the people are selected according to their role, being the competence and efficiency with which they perform the daily tasks specified in the job description of each.

The social survey together with the direct, direct observation allowed the comparison of the organizational climate according to the specificity of the workplace, the relationships with the hierarchy, the way in which the importance of each activity in realizing the finished product of the company is perceived.

The results of the social survey, of the focus groups and especially the direct observations showed that the nature of the interpersonal and group relationship is strongly influenced by the physical environment and the social environment in the enterprise. The climate of the company is favorable to the development of several styles of interpersonal relations, depending on the perception of differences, collective sociability, attitude towards collectivity.

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